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**DEPARTMENT  
OF CONTRACTS  
AND GRANTS**

May 5, 2025

Attn: Denise Ehlen, Executive Associate Vice Chancellor for Research  
Sponsored Programs Office  
University of California, Davis

Subaward No: SCON-00005220  
Project Title: Pacific Southwest Region University Transportation Center (PSR UTC) Consortium,  
2022 - 2026 Grant  
Federal Award No: 69A3552348309  
Subrecipient PI: Susan Handy

**Re: CEASE WORK on Pacific Southwest Region University Transportation Center (PSR UTC)  
Consortium, 2022 - 2026 Grant**

Dear Denise Ehlen,

On behalf of the University of Southern California (USC), this email serves as a notice for UC Davis for work under the project entitled "Pacific Southwest Region University Transportation Center (PSR UTC) Consortium, 2022 - 2026 Grant" (Subaward No SCON-00005220) to please CEASE all work on this Subaward effective 05/02/2025 consistent with the attached notice of termination USC received from our Sponsor effective Friday, May 2, 2025.

Please note all final reporting should be consistent with 2CFR200.344 and promptly provided to USC to ensure reimbursement.

Please confirm receipt of this notice. Should you have any questions or need any additional information, please do not hesitate to contact me at [dkapadia@usc.edu](mailto:dkapadia@usc.edu).

A handwritten signature in black ink, reading "D. Kapadia", is positioned above the printed name.

Diana Kapadia  
Contract and Grant Officer



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, DC 20590

May 2, 2025

Carol Folt, PhD, President  
University of Southern California  
Los Angeles, CA 90089-0012  
[president@usc.edu](mailto:president@usc.edu)

Dear President Folt:

This letter provides notice that the U.S. Department of Transportation (DOT), Office of the Secretary is terminating your federal grant, 69A3552348309, the Pacific Southwest Region University Transportation Center, effective immediately. The Office of the Secretary is doing so in accordance with the terms of the grant agreement and relevant regulations.

At the time your grant was issued, the grant agreement and applicable regulations authorized termination by “the Federal awarding agency or pass-through entity, to the greatest extent authorized by law, if an award no longer effectuates the program goals or agency priorities.” 2 CFR § 200.340(a)(2). DOT’s priorities presently include:

- promoting traditional forms of energy and natural resources to the greatest extent possible,
- ensuring that taxpayer dollars are used efficiently in ways that maximally benefit the American people and improve their quality of life, and
- ceasing to promote divisive diversity, equity, and inclusion initiatives that discriminate on the basis of race, national origin, or another protected characteristic.

Having individually reviewed your grant in light of DOT’s priorities, the Office of the Secretary has determined that your grant is inconsistent with the priorities listed above. Specifically, your Consortium named on the application, the Pacific Southwest Region University Transportation Center (PSRUTC), submitted an application in response to the FY22 University Transportation Center Notice of Funding Opportunity that serves as the grant’s Statement of Work (SOW) and is incorporated into the grant agreement. The PSRUTC promotes equitable access and furthers research themes regarding “uneven transportation access across PSR’s enormously diverse region, particularly among transportation-disadvantaged travelers and communities.” PSRUTC’s research priorities that “deepen commitments to diversifying the transportation workforce; draw a more diverse pool of students; and focuses on Equity” are inconsistent with DOT’s priority to cease promoting DEI initiatives that discriminate on the basis of race, national origin, or another protected characteristic. Furthermore, PSRUTC’s EV statement (“perspective on equity in the transition to electric vehicles”) and environmental justice themes (“addressing EJ problems in the goods movement system”) promote discriminatory consideration and “green new deal” principles that are inconsistent with DOT’s priorities. The SOW’s cited work is inconsistent with DOT’s priorities. Because your grant “no longer effectuates ... agency priorities,” 2 CFR § 200.340(a)(2), the Office of the Secretary is terminating your grant.

Costs incurred after this termination are generally not allowable. 2 CFR § 200.343. You are encouraged to carefully review and discharge your closeout responsibilities as set forth in 2 CFR § 200.344-46 and the grant agreement. Those responsibilities include, but are not limited to, your obligation to “promptly refund any unobligated funds” that have been paid but “are not authorized to be retained.” *Id.* § 200.344(e).

Best regards,

*Maria Lefevre*

Maria Lefevre  
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